

distribution was not completely reported; but the distributed figures accounted for over 95 percent of the total receipts for services.

General statistics, by county, were completed for each establishment by allocating the reported totals on the basis of the reported county figures. All employment, payroll, and man-hour figures were allocated on the basis of the reported March 15 employment. Other allocated figures were based on partly estimated "receipts for services and shipments" by county, and on capital expenditures. "Receipts for services and shipments" were estimated, by county, by adding to the reported receipts for services the estimated value of crude petroleum and natural gas shipped—approximated by multiplying the average unit values of crude petroleum and natural gas, indicated by reported figures for each establishment, by the reported county quantity figures. These county figures, together with counts of "county establishments," are shown in table 2B.

DRILLING COSTS. The principal product of the oil and gas field services industries is completed oil and gas wells. Detailed statistics for the number, footage, and cost of drilling and completing oil, gas, dry, and service wells completed in 1963 are shown in the report for the Crude Petroleum and Natural Gas Industry. Drilling contractors were also asked to report data on the number, footage, and total costs borne directly by them in drilling wells. These statistics are shown in table 6E of this report.

Drilling contractors reported drilling and completing 36,162 wells during 1963, as compared with a total of 41,531 wells reported by operators of oil and gas field properties as drilled and completed during the year. Thus, about 87 percent of all wells were drilled by contractors in 1963. Operating companies reported paying \$1.039 million to contractors for drilling wells completed during 1963, of which \$848 million was paid to drilling contractors. Contract drillers reported receipts, for drilling oil, gas, dry, and service wells, amounting to \$823 million and, in addition, contractors reported receipts of \$129 million for drilling in, spudding in, tailing in, and reworking wells; \$58 million for running, cutting, and pulling casing, tubes, and rods; \$87 million for cementing wells; and \$7 million for excavating slush pits and cellars. Most of these costs would be charged by the operating company to cost of drilling and completing wells. Other major contract receipts which would be partly so charged by operating companies are \$112 million for geophysical and other exploration work, \$119 million for well surveying and well logging, \$31 million for perforating well casing, and \$77 million for acidizing and other

chemical
wells.

treatment

of

The kinds of wells drilled on contract in 1963, as reported by drilling contractors, were 18.624 oil wells, 3.515 gas wells, 12.636 dry holes, and 1.387 service wells. Operating companies reported that 19.629 oil wells, 4.548 gas wells, 14.730 dry holes, and 2.624 service wells were drilled and completed in 1963. Some contractors found it difficult to report the kind of wells drilled, since the wells were frequently drilled into sands by the operators themselves and the contractor's records did not always indicate whether or not the hole resulted in a producing well; if a producer, whether the principal product was oil or gas; or if not a producer, whether the hole would be used as a service well. Thus, the detail tabulated, by kind of well, for contractors is less reliable than the total shown for all wells. A production and unit value index was constructed for drilling oil and gas wells contractors on the basis of the data reported on footage and cost of wells drilled by contractors and on the reported receipts for contract drilling. This production index for the primary services of the Drilling Oil and Gas Wells Industry increased to 99 in 1963 from the 1958 level of 94. The unit value index for 1963 was 104 compared to 106 in 1958. Both indexes were computed on a basis of 1954 = 100.